

# HOUSE SELECT COMMITTEE ON HOMEOWNERS ASSOCIATIONS

## MINUTES

January 13, 2010

Representative Jennifer Weiss, Co-Chairman, called the initial meeting of the House Select Committee on Homeowners Associations to order at 1:05 p.m. Members present at the meeting were Co-Chairman William McGee, Representatives George Cleveland, Beverly Earle, Chris Heagarty, Julia Howard and Michael Wray. Staff members present were Karen Cochrane-Brown, Jennifer McGinnis, Bill Patterson, Martha Walston, Joe Moore and committee assistants Susan Doty and Jayne Nelson. Chairman Weiss thanked the Sergeants-at-Arms (See Attachment 1) and welcomed members and staff and visitors. Chairman Weiss announced that the committee will hold a public hearing on February 2, at 2:00 p.m. in Room 643 of the Legislative Office Building. She then asked members and staff to briefly introduce themselves. After introductions, Chairman Weiss asked the committee members to let their constituents know of the public hearing. Co-Chairman William McGee spoke and welcomed members and visitors. Visitors were asked to introduce themselves and to sign the Visitor Registration. (See Attachment 2)

Chairman Weiss then asked Karen Cochrane-Brown, Research Division staff, to explain the charge to the committee. (See Attachment 3)

Martha Walston, Fiscal Research Division staff, was asked to explain the North Carolina Planned Community Act and Condominium Act and the North Carolina Condominium Act. (See Attachment 4-brief form and full act)

Committee members were asked if they had questions. Representative Earle asked why a judicial foreclosure action was required in certain situations. Ms. Walston replied that if there is a lien on the property because of unpaid fines, interest on unpaid fines, or attorney's fees incurred by the homeowners association because of unpaid fines, then the lien may only be enforced by judicial foreclosure and not by power of sale. Judicial foreclosure is more costly and lengthy but provides more safeguards for the homeowner. Chairman Weiss said that the General Assembly put this requirement in place to give homeowners more protection and opportunity to be heard. This change was in response to a number of foreclosures that were occurring across the state. In Charlotte and other areas, houses were being foreclosed on because of fines from the homeowners association; the feeling was that there would be a couple of fines, legal fees and soon the homeowners were being foreclosed on.

Chairman Weiss said that a notice of the public hearing will be sent soon; she asked members to let the chairs, Ms. Cochrane-Brown or the committee assistants know specific issues they would like to see the committee address. Representative Earle responded that she continues to get mail regarding homeowners associations; the largest concern being about foreclosures. She stated that she feels this is an issue that the committee should deal with in depth especially when the amount of debt is greater than a certain amount.

Chairman McGee asked Ms. Walston if, on page 2, Article 2, Section 47F-2-117, there is a maximum percentage of votes that can be required when amending the declaration. Ms. Walston replied “it has to be 67% except when the declarations specify no maximum”.

Chairman Weiss encouraged sharing of ideas and thoughts for future meetings with the committee and asked everyone to plan to attend the public hearing and to let constituents know about it. She reminded anyone who is interested in speaking at the public hearing to let the clerks know or to give their names to the clerks following the meeting.

There being no further questions or comments, Chairman Weiss adjourned the meeting at 1:55 p.m.

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Chairman Jennifer Weiss

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Susan Doty, Committee Clerk

Attachment #1	Sergeants-At-Arms
Attachment #2	Visitor Registration
Attachment #3	Charge to the Committee
Attachment #4	NC Planned Community Act and Condominium Act